

Message Text

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ORIGIN ARA-14

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TO AMEMBASSY CARACAS PRIORITY
INFO AMEMBASSY OTTAWA
AMEMBASSY BRIDGETOWN
AMCONSUL CURACAO
AMEMBASSY GEORGETOWN
AMEMBASSY KINGSTON
AMCONSUL MARTINIQUE
AMEMBASSY NASSAU
AMEMBASSY PARAMARIBO
AMEMBASSY PORT AU PRINCE
AMEMBASSY PORT OF SPAIN
AMEMBASSY SANTO DOMINGO

C O N F I D E N T I A L STATE 101289

FOR AMBASSADOR

E.O. 11652: GDS

TAGS: EAID, EFIN, VE, XL, CA

SUBJECT: CONSULTATIONS ON CARIBBEAN COOPERATION

REF: STATE 100012

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1. IN ADDITION TO THE TALKING POINTS CONTAINED IN REFTTEL,
YOU SHOULD EXPLORE WITH GOV OFFICIALS THEIR ATTITUDE
TOWARDS THE POSSIBILITY OF INDUCING THE CARIBBEAN DEVELOP-
MENT BANK TO TAKE A BROADER VIEW OF ITS MANDATE OR, IF
NECESSARY, ACTUALLY ALTER ITS CHARTER TO PERMIT IT TO
UNDERTAKE OR PARTICIPATE IN ACTIVITIES OUTSIDE OF THE
ENGLISH-SPEAKING CARIBBEAN. ONE OF THE MAJOR OBSTACLES

IN LAUNCHING THE CARIBBEAN GROUP FOR COOPERATION IN ECONOMIC DEVELOPMENT HAS BEEN THE REFUSAL OF THE CDB TO CONTEMPLATE ANY ACTIVITIES OUTSIDE OF THE ENGLISH-SPEAKING CARIBBEAN EVEN AS ADMINISTRATOR OF A TRUST FUND NOT UTILIZING THE FINANCIAL RESOURCES OF THE BANK ITSELF. THUS FAR THE CDB HAS STATED FIRMLY THAT ITS CHARTER FORBIDS IT FROM CARRYING OUT ACTIVITIES OUTSIDE OF ITS MEMBER COUNTRIES, AND THAT AN AMENDMENT OF ITS CHARTER WOULD BE NECESSARY IF IT WERE TO BROADEN ITS SCOPE. IMPLICIT IN THIS POSITION IS THE SUGGESTION THAT AN AMENDMENT OF THE CHARTER OF THE BANK WOULD BE DIFFICULT OR IMPOSSIBLE TO OBTAIN.

2. WE ARE NOT CONVINCED THAT THE CHARTER OF THE CDB FORBIDS IT FROM UNDERTAKING ANY ACTIVITIES OUTSIDE OF ITS MEMBER STATES, FOR EXAMPLE, AS AN ADMINISTRATOR OF A TRUST FUND, BUT WE HAVE ASKED THE LAWYERS TO TAKE A LOOK AT THIS QUESTION. WE ALSO FEEL THAT IT MIGHT BE WORTHWHILE TO SEEK AN AMENDMENT OF THE CHARTER IF THAT IS WHAT IT TAKES TO GET THE CDB TO PLAY A BROADER AND MORE ACTIVE ROLE IN THE CARIBBEAN AS A WHOLE. THERE ARE NO ONE SHOT OR SURE FIRE SOLUTIONS TO THE ECONOMIC DEVELOPMENT PROBLEMS OF THE REGION, BUT THE ROLE OF THE CDB AS THE ONLY INTERNATIONAL FINANCIAL INSTITUTION EXCLUSIVELY DEVOTED TO THE ECONOMIC DEVELOPMENT OF THE CARIBBEAN IS CLEARLY CRITICAL. IF THE CDB WERE
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WILLING TO ACCEPT A BROADER ROLE, BOTH THE IDB AND THE IBRD HAVE INDICATED WILLINGNESS TO HELP IT ABSORB THESE NEW RESPONSIBILITIES BY THE SECONDMENT OF THEIR OWN PERSONNEL TO THE CDB ON TEMPORARY ASSIGNMENT. WE ALSO MIGHT BE ABLE TO FIND WAYS TO HELP.

3. WHILE WE SHARE THE VIEW OF THE IFI COSPONSORS OF THE CARIBBEAN GROUP THAT THE FUTURE ROLE OF THE CDB IS CRITICAL TO THE SUCCESS OF THE PROGRAM, IT IS A BIT AWKWARD FOR US TO DEAL WITH THIS PROBLEM BECAUSE WE OURSELVES ARE NOT MEMBERS OF THE CDB. IF THE GOV SHARES THIS VIEW, IT WOULD BE HELPFUL IF ITS DELEGATION TO THE CDB ANNUAL MEETING IN GEORGETOWN, GUYANA APRIL 26-27 COULD INFORMALLY DISCUSS THE POSSIBILITY OF A BROADER ROLE FOR THE CDB WITH OTHER DELEGATIONS. WE WILL ALSO BE DISCUSSING THIS ISSUE WITH THE CANADIANS THIS WEEK IN OTTAWA AND SUGGEST THAT THEY MAY WISH TO EXCHANGE IDEAS WITH THE VENEZUELAN DELEGATION AND OTHER DELEGATIONS TO THE CDB MEETING IN GEORGETOWN. CHRISTOPHER

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